



## TENNESSEE REGULATORY AUTHORITY

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### **FOR IMMEDIATE RELEASE**

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### **TRA DIRECTORS ORDER ATMOS ENERGY TO CUT NATURAL GAS RATES**

NASHVILLE, Tenn. – Tennessee Regulatory Authority (TRA) directors ruled Thursday that Texas-based Atmos Energy Corporation must reduce its rates by \$6.07 million for about 123,000 natural gas customers across Tennessee.

The ruling translates into an average annual savings of \$20.

More than 62,000 Atmos residential customers live in Middle Tennessee, and about 40,400 are in East Tennessee. Most of the company's 3,600 West Tennessee residential customers are in Union City. Atmos also has commercial, industrial and other categories of customers in Tennessee.

The unanimous decision also restructures the base rate natural gas customers are charged, which gives a break to many customers – especially high natural gas consumers living in low-income housing that is not energy-efficient. Overall, the changes result in \$3 million reduction to residential customers with business customers experiencing a similar price change.

"We investigated extensively and determined that Atmos was earning more than it should. This revenue decrease, along with the rate restructuring, ensures that Tennessee consumers are charged a fair price for the natural gas they use," TRA Chairman Sara Kyle said.

The new rates are effective Nov. 1 and will show up on the bills customers receive in December.

Directors also initiated a proceeding to determine why Atmos, headquartered in Dallas, cut off gas service to about 14 percent more customers last winter than the year before – approximately 2,230 in 2005-06 compared to about 1,950 in 2004-05 – while other Tennessee gas companies reduced the number of cutoffs.

"I want to know why Atmos had an increase in cutoffs while the other companies had decreases," Director Pat Miller said. "This agency established a process for avoiding disconnections during the coldest winter months, and I have some concern Atmos didn't follow this procedure."

The mission of the TRA is to promote the public interest by balancing the interests of utility consumers and providers. For more information on the TRA, visit online at [www.state.tn.us/tra](http://www.state.tn.us/tra).

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